



## 2009 WFCA Legislative Report

On June 5, 2008 the WFCA Legislative Committee met with Governor Gregoire's Chief of Staff, Marty Brown, to review the state's budget deficit. Discussion centered on the direct and indirect impacts the budget deficit could have on local governments such as counties, cities and particularly fire protection districts. Mr. Brown's overview was very somber and on **June 5** the budget deficit was approximately \$2 billion.

The WFCA Legislative Committee met November 19 and received an update from the State Revenue Forecast Council which projects a *\$5.1 billion revenue shortfall* on the amount needed to fund current state programs for the mid-2009 to mid-2011 biennial budget. The \$5.1 billion gap is a projection only and will change between now and March and will probably widen even further!

As you have read in the news print media or have seen on television, the Governor has repeatedly said she will manage the state's finances without any tax increases. The Legislature commences on Monday, January 12, 2009; Governor Gregoire and the Legislature must come up with hefty cuts in state programs in order to balance the budget. This will have both direct and indirect impacts on local governments. By the time you read this the Governor will have submitted her budget and we will be reviewing it for financial impacts on fire districts.

The WFCA will be reviewing the state budget for possible negative impacts in the following areas:

- Volunteer firefighter and reserve police officer pension funds.
- Emergency medical services and trauma care fund.
- E-911 account (diversion of funds).
- Suspension of LEOFF 2 pension payments and possible "borrowing" from all retirement programs administered by the state.
- DNR fire suppression funding.
- Funding for mobilization.
- Department of Health funding reductions for EMT certifications.

Please note that these are some areas that we will be examining for possible reductions; none of the above have been identified in any budget documents, but will be monitored as the process moves forward. On a much larger scale, the following areas will be examined for proposed budget revisions:

- Initiative 728 dollars for reduction in K-12 class size.
- State employee salary increases—rescinded (this will be subject to collective bargaining).
- Technical and four-year college tuition increases with cuts in tuition waivers.
- Enrollment in basic health plan frozen/or reduced.
- State hiring freeze.
- Across the board state agency budget reductions.
- Various cuts in boards and commissions.
- Tap state's Rainy Day Fund.

The state Legislature and Governor are going to have to make some very difficult decisions while they analyze and debate throughout the budget process. Your WFCA lobbyists and I will be meeting with other local government associations to review proposals from the Governor, House and Senate and will keep you updated through legislative reports emailed every Friday beginning January 23.

This is an extraordinary situation; however, I am confident that we will be able to weather the storm and continue to provide emergency medical and fire protection services to the citizens of the state of Washington.

### **WFOA Interim Priority Issues**

- The **first priority policy** issue is the introduction of legislation to eliminate the transfer of assets to a city after an annexation has occurred and to clarify in growth management statutes that fire districts are also a provider of fire services under the Growth Management Act (GMA).
- Support the increase of public works bid limits to \$20,000 and advocate comprehensive public works bid limit adjustments for local governments and small works rosters.
- Promote, through the Rural Fire District Capital Assistance Legislative Study, the creation of a state program to assist small, rural fire districts in building new or remodeling existing fire stations. State appropriated grants and low interest loans are being considered at this time. This will be a long term legislative goal as the state tackles a \$5.1 billion shortfall in the budget.

### **Chelan WFOA Priority Issues**

- **Remove Super Majority (60%) Vote Requirement for Emergency Medical Services and Excess Property Tax Levies.** The WFOA Legislative Committee is moving forward to support legislation to amend the EMS levy statutes to provide for validation by a simple majority vote instead of the current 60%. The WFOA will meet with the Association of Counties to review draft legislation. The WFOA Legislative Committee will not move forward with a constitutional amendment for simple majority vote for excess levies. The reason is it is very difficult to amend the constitution with a property tax proposal when the state is facing over a \$5 billion revenue shortfall.
- **Impact Fees for Fire Districts.** We anticipate that legislation will be introduced in which fire districts will be eligible to access impact fees for new construction located in the urban growth areas. WFOA supports.
- **Volunteer Firefighter Incentives.** Due to the estimated \$5.1 billion state budget deficit, we do not believe it is the right time to ask the state for property tax credits, hunting and fishing licenses or to reduce car license tab fees for volunteer firefighters. However, this issue will continue to be advocated in discussions with legislative leadership.
- **101% Levy Lid Increase.** Will not be on the table for 2009 due to the state budget crisis and the fact that many legislative proposals will be introduced to cut taxes. We will continue to be in a defensive posture in order to protect fire district levy capacity.
- **LEOFF 2 Retirement/Benefits.** The WFOA will await legislative proposals from the LEOFF 2 retirement board prior to taking any positions. Note: This priority was identified in the Chelan workshop; however, the Legislative Committee needs further clarification in 2009 on specific issues the membership wants the committee to review.
- **Volunteer Firefighter Enhancements.** The WFOA continues to be an active participant in all discussions of volunteer firefighter enhancements and will be discussing with the Board for Volunteer Firefighters possible legislative proposals to address the issue of reserve military duty leaves of absence.

The issues outlined below will be closely monitored when introduced in 2009:

- Proposal from county auditors to eliminate certain special election dates. The WFCA will meet with local government associations to formulate a position and research impact on local governments. Monitor.
- Haz Mat funding. Support.
- Monitor and take positions on all property tax proposals for cost impacts to fire districts. This will be a hot button issue as tax relief for property owners will be advocated by members of the legislature.
- Review and oppose any expansion of city annexation statutes. WFCA continues to support fair and balanced statutes which provide the right to vote on annexations. WFCA continues to support a referendum process as proposed by the land use study commission.
- Support protection of fire district firefighter jobs in the event of city annexation through automatic transfers to the city. This is part of the Senate Government Operations Committee interim workgroup in which the WFCA has been an active participant.
- State Agency Legislation. The WFCA will monitor and take appropriate positions on all legislation from state agencies, such as:
  - Department of Health
  - Department of Natural Resources
  - State Auditor
  - State Patrol
  - Department of Revenue
  - State Treasurer
  - Insurance Commissioner
- Sunshine Legislation. The WFCA will monitor and take appropriate positions on any amendments to the Open Public Records Act and/or Open Public Meetings Act. Some issues we have identified and oppose as adverse legislation include:
  - Public records/meetings notice through the government's website.
  - Protection of attorney/client privilege for local elected officials.
  - Mandatory recording of executive sessions.
- Health Care Reform. WFCA is examining all proposals for cost impacts on fire districts and the WFCA self-funded health care program.

NOTE: We expect the Insurance Commissioner to propose a comprehensive legislative proposal in an attempt to address the issue of health care access and cost increases.